

Message Text

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ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

AID-20 EB-11 PM-07 INR-11 IO-14 L-03 NSAE-00 NSC-07

PA-04 RSC-01 DRC-01 DPW-01 PRS-01 OMB-01 SS-20 /142 W

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O R 211030Z AUG 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 8017

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS UNN

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY STOCKHOLM

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AMEMBASSY VIENTIANE

AMEMBASSY MOSCOW
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 11053

EO 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJ: EMBASSY SAIGON'S MISSION WEEKLY FOR AUG 15-21, 1974

BANGKOK ALSO PASS OSA; DEPT ALSO FOR AID/W; CINCPAC FOR POLAD;
DOD FOR USAJFKCMA ATTN: ATCS-WL-DSA

THE WEEK IN SUMMARY

THE CEASEFIRE

SELF-IMMOLATION IN SAIGON BY DISABLED VETERAN

NINE SUPREME COURT JUSTICES TO BE SELECTED

ANTI-CORRUPTION MOVEMENT INAUGURATED

GOVT REACTS ANGRILY TO AMNESTRY INTERNATIONAL CHARGES

"PRG" FAILS IN ATTEMPTS TO ATTEND INTERNATIONAL CONFERENCES

GVN PROTESTS SWEDISH INTENTION TO UPGRADE "PRG" OFFICE

GVN SHARES SOUTH KOREA'S SORROW

GVN AND GUATEMALA ESTABLISH DIPLOMATIC RELATIONS

DRILLING BEGINS IN VIETNAM'S OFFSHORE AREA

RETAIL PRICES DIP

GOLD AND DOLLAR RATES DOWN

I. INTERNAL
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A. THE CEASEFIRE

IN MR-1 THE 309 VIOLATIONS LAST WEEK SET ANOTHER RECORD
HIGH FOR INCIDENTS IN THE REGION FOR 1974. LIGHT ACTIVITY
NORTH OF THE HAI VAN PASS WAS MARKED BY ONE ABF AND SEVERAL
GROUND PROBES OF RF POSITIONS IN QUANG TRI PROVINCE. THE
ATTEMPT BY ELEMENTS OF THE 54TH INFANTRY REG TO REOCCUPY POS-

ITIONS LOST BY THE 12TH RANGER GROUP FAILED DURING THE ATTEMPT; THEY EXPERIENCED SEVERAL ABFS AND GROUND ATTACKS. THERE WERE NUMEROUS SMALL ATTACKS IN QUE SON DISTRICT, AND THE NEWLY ARRIVED 1ST AIRBORNE BRIGADE SAW FREQUENT ENEMY CONTACT. QUANG NGAI AND DANANG AIR BASES WERE ROCKETTED; ROCKETS FALLING OUTSIDE DANANG AIR BASE KILLED FIVE CIVILIANS AND WOUNDED THIRTEEN. IN EASTERN DANANG A POLICE POST AND COMMUNITY HOUSE WERE DAMAGED BY EXPLOSION, THE FIRST SUCH INCIDENT IN DANANG SINCE THE CEASEFIRE. IN QUANG NGAI PROVINCE, MINH LONG DISTRICT TOWN FELL, THE SECOND DISTRICT TOWN TO BE LOST IN MR-1.

THE LEVEL OF FIGHTING WAS HEAVIER IN MR-2 THIS WEEK, THOUGH CASUALTIES ON BOTH SIDES DROPPED OFF. IN BINH DINH, THE MOST ACTIVE PROVINCE, THE COMMUNISTS SCORED NO SIGNIFICANT GAINS. THE GVN RETAINS CONTROL OF THE NHONG PASS, AND QL1 REMAINS OPEN. IN KONTUM PROVINCE, MANG BUK SUBSECTOR FINALLY FELL AFTER RECEIVING 1,000 ROUNDS OF MORTAR AND ARTILLERY OVER THE WEEKEND, AND 800 MORE WITH GROUND ASSAULTS SINCE.

THE NUMBER OF INCIDENTS IN MR-3 REACHED THE SECOND HIGHEST TOTAL OF THE YEAR. CASUALTIES ON BOTH SIDES ROSE SHARPLY. ELEMENTS OF THE 5TH NVA DIV, SUPPORTED BY ARMOR AND ARTILLERY CROSSED INTO TAY NINH PROVINCE FROM CAMBODIA AND STRUCT THREE GVN OUTPOSTS. THE 3, PHUOC TAN, LUU BUU LAM, AND BEN SOI, HAVE UNDERGONE CONSTANT ABFS AND PHUOC TAN AND LUU BUU LAM HAVE RECEIVED GROUND ATTACKS AS WELL. A LATE REPORT INDICATES THAT PHUOC TAN, AFTER A DOGGED DEFENSE WHICH AT ONE POINT SAW THE COMPANY COMMANDER CALLING IN ARTILLERY ON HIS OWN POSITION TO REPEL AND ATTACK, HAS FINALLY FALLEN. IN SOUTHERN PHU KHUONG DISTRICT LOCAL RF FORCES RECAPTURED FOUR HAMLETS CAPTURED BY GUERRILLAS THE PRVIOUS DAY. RVNAF FORCES IN BINH DUONG PROVINCE SUCCESSFULLY REPULSED AND ATTACK ON THE RF PHU THU OUTPOST BY ELEMENTS OF THE 272ND REG, KILLING 50 NVA, AND REPORTEDLY DES-
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TROYING 2 PT 76 TANKS AND CAPTURING ONE. THE BIEN HOA AIR BASE AREA CONTINUED TO EXPERIENCE ROCKET ATTACKS.

IN THE DELTA, MILITARY ACTIVITY WAS UP SHARPLY FROM LAST WEEK, AS THE VC/NVA LAUNCHED A NEW MID-MONTH HIGH POINT. IN DINH TUONG PROVINCE, ACTIVITY WAS HIGHLIGHTED BY ATTACKS ON LOCS; BOTH SNIPING AND MINING WER EMPLOYED. HIGHWAY 4 WAS ESPECIALLY HARD-HIT. IN KIEN TUONG AND KIEN PHONG PROVINCES, CANAL OUTPOSTS WERE THE CENTERS OF ACTIVITY, AND THREE OF THE 9 OBS ALONG THE CUNG CANAL IN KIEN TUONG HAVE YET TO BE RETAKEN. IN KIEN PHONG, VC/ NVA MAIN FORCE BATTALIONS AND 2 BATTALIONS OF THE Z-15 REG SEEM TO BE RENEWING EFFORTS TO EXPAND CONTROL IN BASE AREA 307. IN VINH LONG PROVINCE, A GROUND ATTACK ON MINH DUC DISTRICT TOWN, PRECEDED BY A MORTAR ATTACK, WAS REPULSED. NGAI TU VILLAGE HQ WAS REPORTED OVERRUN. ACTIVITY DOUBLED IN BAC LIEU PROVINCE, WHERE

THE WORST INCIDENT WAS A SHELLING AND GROUND ATTACK ON PSDF POSITION; 5 PSDF DIED.

THE ICCS HELD AND INCONCLUSIVE PLENARY SESSION ON AUG 15 ON THE SUBJECTS OF THE APPOINTMENT OF A NEW DIRECTOR GENERAL AND THE POLSIH REQUEST THAT THE COMMISSION ENDORSE ITS LETTER OF COMPLAINT ABOUT GVN INTERFERENCE WITH POLISH RECEPTION GUEST LISTS. PENDING CONTINUING CONSULTATIONS BETWEEN THE DELEGATIONS, THE NEXT PLENARY SESSION IS NOT EXPECTED TO BE HELD UNTIL THE LAST WEEK IN AUGUST.

THE COMMUNIST BOYCOTT OF THE FPJMT/TPJMC CONTINUES. A SAPPER ATTACK ON THE TPJMC COMPOUND AT CU CHI, HAU NGHIA(P), RESULTED IN 2 PF KILLED, 4 WOUNDED, AND 6 BUILDINGS DAMAGED. IN AN AUG 15 STATEMENT, THE "PRG" FOREIGN MINISTRY ATTACKED PRES FORD'S ASSURANCE OF CONTINUED SUPPORT OF VIETNAM. USING THE SAME TIME WORN PHRASING, THE COMMUNISTS COUNSELLED THE US TO GET OUT OF VIETNAM BY SCRUPULOUSLY OBSERVING THE PARIS AGREEMENT AS THEY CLAIM TO DO.

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USIA WASHDC
USDEL JEC PARIS UNN
CIA
DIA
JCS
JUSMAAG
WHITE HOUSE
USAFKCMMA
CINCPAC
CINCPACAF
CINCPACFLT
CINCUSARPAC
DEPCHIEF JUSMAAG UDORN
USDAO/SAIGON
AMEMBASSY LONDON
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B. SELF-IMMOLATION IN SAIGON BY DISABLED VETERAN

AT NOON ON AUG 15, ACROSS THE STREET FROM THE NATIONAL ASSEMBLY BUILDING, DISABLED VETERAN PHAM VAN LUA BECAME THE SECOND SELF-IMMOLATION DEMONSTRATOR IN SAIGON WITHIN THE PAST SIX WEEKS. VETERAN LUA LEFT LETTERS AND A NOTEBOOK IN WHICH HE WROTE THAT HE "WOULD RATHER DIE IN GLORY THAN LIVE IN SHAME", PRESUMABLY IN REFERENCE TO PARTITION OF VIETNAM INTO TWO HALVES BY THE 1954 GENEVA ACCORDS. (ON LAST "NATIONAL SHAME DAY", JULY 20, WIDE PUBLICITY WAS GIVEN TO AN EARLIER SELF-IMMOLATION BY VETERAN BUU PHUNG.)

ONE OF LUA'S LETTERS WAS ADDRESSED TO PRES THIEU AND THE CHAIRMAN OF THE NATIONAL ASSEMBLY AND INCLUDED PHRASES SUCH AS "LONG LIVE THE RVN", "DOWN WITH THE COMMUNISTS DISHONORING PEACE". A SECOND LETTER REBUKED THE COMMUNISTS FOR "PARTITIONING THE COUNTRY".

THERE HAS BEEN CONSIDERABLE PRESS ATTENTION GIVEN TO LUA'S SUICIDE AND AN ELABORATE FUNERAL WAS ORGANIZED BY THE VIETNAMESE DISABLED VETERANS ASSOCIATION ON AUG 21. LUA WAS POSTHUMOUSLY AWARDED THE VETERANS SERVICE MEDAL AND LOYALTY MEDAL BY THE GVN.

C. NINE SUPREME COURT JUSTICES TO BE SELECTED

IT IS ANTICIPATED THAT THERE WILL BE ABOUT FIFTY CANDIDATES FROM WHICH THE NATIONAL ASSEMBLY ON SEPT 23 WILL SELECT NINE JUSTICES FOR THE SUPREME COURT FOR THE 1974-1980 TERM OF OFFICE. ACCORDING TO RECENTLY PROMULGATED DECREES, CANDIDATES MUST HAVE AT LEAST 15 YEARS OF SERVICE AS A MAGISTRATE OF THE COURT OF FIRST INSTANCE OR COURT OF APPEALS OR ADMINISTRATIVE COURT. IN ADDITION, COUNSELLORS OF THE SECOND RANK OR HIGHER OF THE COUNCIL OF STATE AND ASSISTANT PROSECUTORS GENERAL OF THE COURT OF APPEALS ARE ELIGIBLE FOR ELECTION. EACH CANDIDATE MUST SUBMIT HIS CONFIDENTIAL

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DOSSIER TO THE DIRECTORATE OF THE SUPREME COURT BETWEEN AUG 19 AND AUG 23.

THERE IS PRESS SPECULATION AT THIS EARLY STATE OF THE CAMPAIGN THAT EIGHT OF THE NINE INCUMBENTS WILL BE REELECTED, INCLUDING PRES OF THE COURT, TRAN VAN LINH. ONE JUSTICE, TRAN VAN LIEM, IS EXPECTED TO RETURN TO PRIVATE PRACTICE FOLLOWING THE ELECTION.

D. ANTI-CORRUPTION MOVEMENT INAUGURATED

IN THE 2 MONTHS FOLLOWING THEIR ABORTIVE ATTEMPT TO HOLD A PRESS CONFERENCE AT THE TAN SA CHAN CHURCH IN GI DINH (SAIGON 8084), THE GROUP OF CATHOLIC PRIESTS WHO TRIED TO PROTEST CORRUPTION AT THAT TIME HAVE GRADUALLY FORMALIZED THIS EFFORT AS THE PEOPLE'S ANTI-CORRUPTION MOVEMENT. THE MOVEMENT HELD ITS INAUGURATION CEREMONY ON AUG 18 AT THE TAN VIET CATHEDRAL. THE EXECUTIVE COMMITTEE OF THE MOVEMENT INCLUDES: PRIEST TRAN HUU THANH, PROVISIONAL CHAIRMAN OF THE MOVEMENT, FORMER SENATOR HOANG XUAN THUU, MAGISTRATE TRAN THUC LINH, DEPUTIES NGUYEN VAN BINH, DAN VAN TIPP, DO SINH TU, NGUYEN TUAN ANH, NGUYEN TRONG NHO, NGUYEN VAN CU, NGUYEN VAN KIM AND ENGINEER TRAN VAN TRI.

AT THIS MEETING, FATHER THANH ISSUED A PRESS RELEASE WHICH ATTEMPTS TO LINK THE CORRUPTION AND PEACE ISSUES. AS CORRUPTION SAPS THE WILL TO RESIST, THE MOVEMENT ARGUES, IT BLOCKS THE ACHIEVEMENT OF PEACE. ONLY WHEN CORRUPTION IS ELIMINATED WILL THE GVN BE STRONG AND PEACE RESTORED. THUS, TITLE OF "PEOPLE'S MOVEMENT FOR THE SALVATION OF THE COUNTRY AND RESTORATION OF THE PEACE." COMMENT: THE MOVEMENT APPEARS FAIRLY NARROWLY BASED AT PRESENT, BUT BECAUSE IT REFLECTS FAIRLY WIDELY HELD CONCERNS AND ATTITUDES, IT WILL BEAR CONTINUED ATTENTION.

E. GOVT REACTS ANGRILY TO AMNESTY INTERNATIONAL CHARGES

THE GVN RECENTLY RECEIVED TELEGRAMS FROM AMNESTY INTERNATIONAL (AI) REQUESTING INFORMATION ON THE REPORTED DEATHS OF 14 OF

THE 118 ILLEGAL IMMIGRANTS RECENTLY RETURNED TO SOUTH VIETNAM FROM HONG KONG (SAIGON 8084, ITEM IJ). THESE TELEGRAMS WERE PUBLICIZED BY AI WITHOUT AWAITING THE GVN'S ANSWER AND DREW AN ANGRY PROTEST FROM MINISTER OF INFORMATION HOANG DUC NHA. STATING THAT NONE OF THE PRISONERS HAD DIED, NHA CHARGED THAT AID'S CONFIDENTIAL

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GROUNDLESS EXPRESSION OF EMOTION OVER A FALSE ISSUE DEMONSTRATED THE ORGANIZATION'S PARTIALITY AND DAMAGED ITS PRESTIGE. NHA SAID, "INSTEAD OF EXPRESSING YOUR GROUNDLESS EMOTION, MAY WE SUGGEST THAT YOU SEEK INFORMATION ABOUT THE FATE OF NEARLY 100,000 VIETNAMESE STILL UNDER LOCK AND KEY BY THE NORTH VIETNAMESE AUTHORITIES WHO STUBBORNLY REFUSED THEIR RETURN TO THE GOVERNMENT OF THE REPUBLIC OF VIETNAM". (VN PRESS AUG 8, 1974) COMMENT: FONMINISTRY OFFICIALS WERE PARTICULARLY IRRITATED BY AID'S TACTICS IN THIS CASE SINCE THEY HAD BEEN ENGAGED IN AN ACTIVE EFFORT TO BE RESPONSIVE TO AI'S REQUESTS FOR INFORMATION ON POLITICAL PRISONERS AT THE TIME THE INCIDENT OCCURED.

II. EXTERNAL

A. "PRG" FAILS IN ATTEMPTS TO ATTEND INTERNATIONAL CONFERENCES

THE ICRC RECENTLY CONDUCTED A MAIL POLL TO DETERMINE WHETHER THE "PRG" SHOULD BE INVITED TO A HUMANITARIAN CONFERENCE ON THE EFFECTS OF MODERN WEAPONS TO BE HELD IN LUCERNE SEPT 24-OCT 18. DEADLINE FOR REPLIES WAS JULY 31, AND THE ICRC RECENTLY OFFICIALLY INFORMED USMISSION GENEVA THAT ""PRG" PARTICIPATION HAD BEEN REJECTED BY 36 VOTES TO 30, WITH NINE EXPLICIT ABSTENTIONS. SIMILARLY, PRIOR TO THE WORLD POPULATION CONFERENCE WHICH OPENED IN BUCHAREST AUG 19 ROMANIAN AND SOVIET OFFICIALS WERE ADVOCATING THAT SOME FORMULA BE FOUND TO PERMIT "PRG" TO PARTICIPATE. THE USDEL FIRMLY RESISTED THESE EFFORTS. QUESTION OF "PRG" PARTICIPATION WAS NOT EVEN RAISED DURING FIRST TWO DAYS OF CONFERENCE, AND IT NOW APPEARS COMMUNIST EFFORT ON BEHALF OF "PRG" AT THIS CONFERENCE WILL BE LIMITED TO STATEMENTS. FOR THE RECORD.

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AMCONSUL NHA TRANG

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B. GVN PROTESTS SWEDISH INTENTION TO UPGRADE "PRG" OFFICE

NOTING OFFICIALLY- BASED PRESS REPORTS THAT SWEDEN WAS PLANNING TO GIVE AID TO "PRG" AND TO GRANT NEW FACILITIES TO "PRG" INFORMATION OFFICE IN STOCKHOLM INCLUDING A CHANGE IN NAME, MFA PRESS STATEMENT OF AUG 19 "STRONGLY PROTESTED" PROPOSED ACTION AND TERMED SWEDISH CONTACTS WITH "PRG" "INTERFERENCE INTO THE INTERNAL MATTERS OF THE RVN". STATEMENT NOTED PARIS AGREEMENT DID NOT STIPULATE THERE SHOULD BE TWO ADMINISTRATIONS IN SVN, AND MAINTAINED FURTHER THAT SWEDISH ACTION COULD ONLY IMPEDE PEACE BECAUSE IT WOULD ENCOURAGE CURRENT COMMUNITIS POLICY OF SABOTAGING DISCUSSIONS AND STEPPING UP HOSTILITIES. IN CLOSING, MFA STATEMENT ASKED SWEDISH MFA TO RECONSIDER.

C. GVN SHARES SOUTH KOREA'S SORROW.

PRES THIEU SENT A MESSAGE OF CONDOLENCE TO SOUTH KOREAN PRES PARK CHUNG HEE ON THE ASSASSINATION OF MRS PARK, AND DEPUTY PRIMIN TRAN VAN DON WAS SENT TO REPRESENT PRES THIEU AT THE FUNERAL.

D. GVN AND GUATEMALA ESTABLISH DIPLOMATIC RELATIONS

MFA SPOKESMAN ANNOUNCED AUG 19 THAT GOVTS OF RVN AND OF GUATEMALA HAD DECIDED TO ESTABLISH DIPLOMATIC RELATIONS "AT EMBASSY LEVEL".

END CONFIDENTIAL

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III. ECONOMIC

A. DRILLING BEGINS IN VIETNAM'S OFFSHORE AREA

IN A JOINT VENTURE OPERATION WITH CITIES SERVICE, PECTEN
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VIETNAM (SHELL U.S.) STARTED DRILLING FOR OIL AUG 17 ON THE CONTINENTAL SHELF ABOUT 160 MILES SOUTH SOUTHEAST OF CON SON ISLAND IN THE SOUTH CHINA SEA. PECTEN IS USING A SEMI-SUBMERSIBLE RIG, THE OCEAN PROSPECTOR, WHICH ARRIVED ON LOCATION FROM JAPAN ON AUG 14. DRILLING IS EXPECTED TO CONTINUE TO A DEPTH OF ABOUT 6,500 FEET. AS OF AUG 20, THE DRILLING BIT HAD REACHED A DEPTH OF 1450 FEET. IN ABOUT THREE TO FOUR WEEKS PECTEN WILL DECIDE WHETHER TO DRILL ANOTHER HOLE IN THE SAME CONCESSION BLOCK OR IN TWO OTHER CONCESSION BLOCKS WHOSE GEOPHYSICAL DATA ARE BEING ANALYZED AT PECTEN'S HEAD OFFICE IN HOUSTON.

PECTEN VIETNAM AND CITIES SERVICE ARE THE FIRST TO START DRILLING AMONG THOSE FIRMS AWARED CONCESSIONS IN THE SUMMER OF 1973. SOON TO FOLLOW IS MOBIL-KAIYO, PROBABLY IN LATE OCTOBER.

ESSO AND SUNNINGDALE EXPECT TO COMMENCE DRILLING IN EARLY 1975.

THE START OF DRILLING RECEIVED WIDE COVERAGE ON LOCAL RADIO AND TV AND IN THE PRESS. IN THE MIDST OF AN ECONOMIC RECESSION AND RESUMPTION OF HEAVY FIGHTING, NEWS OF THE OIL EXPLORATION HAS BUOYED SPIRITS IN SAIGON. MANY PEOPLE, INCLUDING HIGH LEVEL GOVT OFFICIALS, LOOK TO AN OIL FIND TO EASE THE COUNTRY'S ECONOMIC PROBLEMS AND STIFFEN THE SOUTH'S RESISTANCE TO NORTHERN AGGRESSION.

B. RETAIL PRICES DIP

USAID'S CONSUMER PRICE INDEX FOR SAIGON DECLINED 0.3 PERCENT DURING THE WEEK ENDED AUG 19. RICE WAS STABLE BUT SEAFOOD PRICES DROPPED SHARPLY. FISH AND SHRIMP SUPPLY IN THE MARKET ROSE FOLLOWING RECENT TROPICAL STORMS.

C. GOLD AND DOLLAR RATES DOWN.

GOLD AND BLACK MARKET DOLLAR RATES DECLINED SLIGHTLY THIS WEEK. US\$100 GREEN BROUGHT VN\$645/\$1, COMPARED TO VN\$650/\$1 A WEEK AGO. THE SAIGON GOLD DISCOUNT ALSO WIDENED AS THE LOCAL PRICE FELL FROM US\$141.91 TO \$140.00 PER TROY OUNCE WHILE THE HONG KONG RATE WAS RISING SLIGHTLY TO US\$153.23.
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